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Report of the ISTC Capital Investment Intentions Survey Conducted in April / May 1988

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REPORT OF THE

ISTC CAPITAL INVESTMENT

INTENTIONS SURVEY

CONDUCTED IN APRIL/MAY 1988

Statistical Analysis
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Ottawa
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PREFACE

This report is based on the Capital Investment Intentions Survey of Industry, Science and Technology Canada (ISTC) covering some 312 large corporations, carried out in April and May 1988.

The purpose of the survey is to provide timely intelligence on corporate capital investment intentions for economic forecasting and departmental policy and planning. Survey results are presented for all companies combined, with disaggregations by major sectors and regions.

These data indicate investment intentions of a panel of 312 large firms at a given point in time. They should not be regarded as the investment outlook for the total economy. The participating companies are not selected randomly. Moreover, the survey does not cover investment intentions of smaller firms or investments in housing, agriculture or fishing. Direct government outlays are also excluded.

The total investments reported by a company is allocated according to its "main line of business". For example, all investments of a mining company would be allocated to the mining sector even though the company may have manufacturing operations and/or real estate ventures. It should be noted that all individual company information is kept confidential; neither the names of the corporations nor their individual responses are released.

EXECUTIVE SUMMARY

The Capital Investment Intentions Survey of Industry, Science and Technology Canada (ISTC) conducted in April and May 1988 covered some 312 large corporations. It provides a reading on the planned capital spending of these firms for 1988. The following are the main findings of this survey:

i) The responding companies indicate that their expected capital spending in current dollars in 1988 will be more than $31 billion, an increase of 27.2 percent (or $6.7 billion) over their actual level of investment in 1987.

ii) Intended investment in the manufacturing sector in 1988 shows an increase of 19.5 percent while in the non-manufacturing sector, it is expected to go up by 30.5 percent.

iii) Firms responding to the survey, on average, used a cost adjustment factor of 4.3 percent in their capital budgets for 1988. Given this factor, real growth in investment in 1988 is expected to be about 21.9 percent.

iv) Investment spending in 1988 is projected to increase in all major regions of Canada. On a provincial basis, New Brunswick is expected to show the strongest growth; at the other extreme, investment in the Yukon is projected to post a small decline.

v) Spending by domestic (majority-owned) firms on new plant and equipment in 1988 is anticipated to expand by 27 percent compared to a 27.7 percent increase expected by foreign (majority-owned) firms.

vi) Private firms show a 24.8 percent increase in capital spending plans for 1988, compared to a 33.8 percent increase reported by public companies (i.e., crown corporations).

vii) About 60 percent of the survey panel reported that they expect their profit levels in 1988 to be higher than in 1987. About 22 percent expect a weaker profit performance.

viii) Factors mentioned most frequently as affecting investments plans, in the order of their importance, were: expected domestic sales, anticipated cash flow, rates of return, government policies, expected sales abroad, and future economic conditions in Canada.

ix) Firms were also asked to assess the impact of the stock market events of October 1987 on their investment plans. An overwhelming majority (95 percent) of those firms which responded to the question (228) indicated that these events did not have any impact.

HIGHLIGHTS OF THE APRIL/MAY 1988 SURVEY

Overview

The April/May 1988 survey* provides an indication of planned investment for 1988 based on conditions at the time of the survey. The firms which responded to the survey expect that their intended capital spending (in current dollars**) in 1988 will increase by 27.2 percent over their actual level of investment in 1987. This is the highest forecasted rate of increase reported by the surveyed firms in recent years (i.e., since the April 1981 survey). The large firms traditionally overestimate their capital spending. Nevertheless, even with a considerable downward revision in their expected spending for 1988, realized real growth in outlays for 1988 in all likelihood will be very substantial.

As stated earlier, the survey does not cover investment plans of firms in the housing, agriculture and fishing industries. Direct government outlays are also excluded. It should also be noted that the spending patterns of the larger corporations may differ from those of smaller companies. The results, therefore, should not be applied directly to the total business sector. That is to say, the reported increase in business investment for 1988 refers only to the large companies included in the survey panel and does not necessarily reflect the spending pattern of all businesses in the country.

The companies surveyed indicated that their level of spending on new plant and equipment in 1988 would be over $31 billion, an increase of about $6.7 billion over the 1987 level of $24.4 billion. Manufacturing investment will rise by over $1.4 billion to $8.6 billion, whereas non-manufacturing spending will increase by about $5.2 billion to $22.4 billion. On a sectoral basis, larger than average year-over-year increases are reported by: transportation and storage; trade, finance and other commercial services; chemicals; mining; and forest products. Primary metals and metal fabricating as well as electrical, electronic and machinery register declines (Table 1).

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* See appendix for details on the nature and coverage of the survey.
** Unless otherwise stated, all dollar figures and percent changes are based on current dollars.

Outlook for Manufacturing

Capital spending for 1988 on new plant and equipment by reporting manufacturing corporations is expected to be about $8.6 billion, an advance of 19.5 percent from 1987. This increase is primarily due to the expected increased spending in the chemicals, forest products, non-metallic minerals and transportation equipment sectors. The primary metals and metal fabricating industry, as well as the electrical, electronics and machinery industry, expect to register a decline (Table 1).

Outlook for Non-Manufacturing

The spending plans for 1988 of respondents in the non-manufacturing sector are over $22 billion, an increase of 30.5 percent from the 1987 level. Areas of substantial growth include transportation and storage; trade, finance and other commercial services; mining; oil and gas pipelines; and electric utilities (Table 1).

Cost of Capital Goods

The average annual cost adjustment factor used by the firms surveyed, to account for inflation in their capital budgets for 1988, was 4.3 percent (Table 6). Given this inflation factor, real growth in investment in 1988 for the survey firms is expected to be about 21.9 percent (Table 2).

Foreign versus Domestic Companies

Foreign (majority-owned) firms plan an increase of 27.7 percent or $2 billion in their capital spending for 1988 over their 1987 level. The corresponding statistics for Canadian or domestic (majority-owned) firms are 27 percent or $4.6 billion, respectively (Tables 8 and 9).

Canadian-controlled firms account for about 70 percent of total capital spending expected to occur in 1988. On a regional basis, the proportion of the 1988 investment attributed to domestic firms ranges from a high of 83 percent in Quebec to a low of 58 percent in the Prairie region (Table 7).

Within both the domestic and foreign sectors, all regions show year-to-year advances for 1988 (Tables 8 and 9).

Public Compared to Private Capital Spending

Capital spending in the public (government) sector of the survey panel (i.e., Crown corporations) is expected to increase by 33.8 percent or $2.2 billion in 1988, while the private sector foresees an increase of 24.8 percent or about $4.4 billion (Tables 11 and 12).

Public or government spending represents 29 percent of the expected total capital expenditure for 1988. By region, the proportion ranges from 18 percent in the British Columbia and Northern region to 38 percent in Quebec (Table 10).

Within both the public and private sectors, all regions are expected to record increases in 1988 (Tables 11 and 12).

Medium-Term Investment

Investment by the 201 firms, which consistently reported on their medium-term investment plans for each year over the 1987-1992 period, is expected to continue increasing each year until it reaches a peak in 1990. It declines in 1991 before starting to expand again in 1992.

The statistics on the medium-term investment patterns of these firms by region and province are presented in Table 13. Table 14 provides data on the medium-term investment trends by industry.

Factors Affecting Outlays

The major factors (i.e., mentioned most frequently by respondents) that are expected to affect both current and planned investment spending, in the order of importance, were expected domestic sales, anticipated cash flow, rates of return, government policies, expected sales abroad and future economic conditions in Canada (Table 15).

Purpose of Investment

Of the 312 corporations in the survey panel, 252 reported the breakdown of their capital spending by purpose of expenditure for 1987 and 1988. These investment categories could be subdivided into two broad groups: those which add directly to production and those which do not. The latter group includes investments in research and development, pollution abatement and improvement of working environment; the former includes investments in expansion of facilities at existing sites, upgrading and replacement, and new facilities at new sites.

Expansion, and upgrading and replacement of existing facilities, at 62.4 percent, accounts for the largest proportion of planned capital spending in 1988. Expansion to new sites represents a further 20.4 percent. The remainder is divided among the other purposes or categories (Tables 16, 17 and 18).

All types of investment activities will experience increased capital spending in 1988. The most dramatic annual increase will occur for investments related to working environment.

Impact of October 1987 Stock Market Events

For the April/May 1988 survey, firms were asked to assess the impact of the stock market events of October 1987 on their investment plans. Of the 228 firms which responded to this question, 95 percent indicated that these events did not have an effect on investment spending. See the following table for response by industry details.

Response to the Question regarding the Impact on
Investment of the October, 1987 Stock Market Events

Industry	Number of Responding Companies	Percent Reporting: No Impact	Negative Impact
Food and Beverage	23	96	4
Forest Products	24	88	12
Primary Metals and Metal Fabricating	9	89	11
Chemicals	13	100	-
Transportation Equipment	15	100	-
Electrical, Electronics and Machinery	15	100	-
Non-Metallic Minerals	4	100	-
Other Manufacturing	11	91	9
Total Manufacturing	114	95	5
Mining Companies	20	90	10
Oil and Gas Companies	20	100	-
Oil and Gas Pipelines	11	82	18
Transportation and Storage	16	100	-
Communications	11	100	-
Electric Utilities	14	100	-
Trade, Finance and Other Commercial	22	95	5
Total Non-Manufacturing	114	96	4
TOTAL	228	95	5

Regional Distribution of Business Investment

The spending patterns reported by the survey reflect developments in the various regions in broad terms only and, therefore, should be interpreted with some caution.

The regional distribution of total business capital investment over the medium-term is presented in the following table:

Regions	1987	1988	1989	1990	1991	1992
		(Percentages)				
Atlantic	6.1	6.7	6.5	7.0	8.0	7.4
Quebec	20.8	19.7	20.7	19.7	20.2	20.4
Ontario	35.0	30.8	31.8	29.1	27.6	27.1
Prairies	25.4	27.8	27.6	28.5	29.0	29.1
B.C. & Northern	8.6	8.7	8.4	7.9	8.9	10.9
Unallocated*	4.1	6.3	5.0	7.8	6.3	5.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

For 1988, in comparison with 1987, a significantly larger proportion of capital expenditures on new production facilities is expected to occur in the Prairies and Atlantic. From 1989 to 1992, the share of investment spending in Ontario declines. The Prairies share increases slowly but steadily over the same period.

Regional Perspectives

Atlantic Region (Tables 19 - 22)

Total spending on plant and equipment in the Atlantic region in 1988 by companies in the survey panel is expected to be about $2 billion. **As noted earlier, dollar levels and percent changes are based on current dollars unless otherwise stated.** This represents an increase of 31 percent from the level reported for 1987 (Table 19).

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* Includes investment which was not specifically allocated to a particular region because it had not yet been determined in which region it would take place; and expenditures on movable machinery and equipment, i.e., rail rolling stock and ships, etc.

Investment spending by the manufacturing sector in the Atlantic region is expected to advance by 50 percent to a level of $589 million in 1988. Within this sector, larger than average increases are expected to occur in the electrical, electronics and machinery industries as well as in the primary metals and metal fabricating industries. Transportation equipment and non-metallic minerals will register decreases. For the non-manufacturing sector, capital spending for 1988 is expected to reach $1 439 million, up 24.5 percent from 1987. Increases for 1988 are reported by companies in trade, finance and other commercial services, utilities and transportation and storage. Oil and gas companies, pipelines and mining are expected to decrease their spending in 1988.

Crown corporations in the Atlantic region, which account for 35 percent of the total 1988 expected capital spending in the region, will record a 48.3 percent increase from their 1987 level while private firms report a 23.2 percent increase (Tables 10 and 21).

Foreign (majority-owned) firms in the Atlantic provinces expect to increase spending on new plant and equipment by 7.4 percent in 1988; while domestic (majority-owned) firms expect capital spending to advance by 37.4 percent from their 1987 level (Table 20).

Quebec (Tables 23 - 26)

The survey shows that the large corporations investing in new plant and equipment in Quebec expect to spend almost $6 billion in 1988, an increase of 29.6 percent from their 1987 level of $4.6 billion (Table 23).

Capital spending by the manufacturing sector in Quebec is expected to reach almost $2.2 billion in 1988, 30.2 percent above the 1987 level. All industries in this sector anticipate advances for 1988; the larger increases being contemplated by primary metals and metal fabricating firms followed by non-metallic minerals and chemicals companies.

The 29.3 percent increase in spending plans for 1988 in the non-manufacturing sector compares well with the national average of 30.5 percent. Within this sector, all industries except oil and gas companies and transportation and storage companies report increased investments for 1988, with mining, trade, finance and other commercial, and utilities showing the largest increases.

Crown (public) corporations, which account for 38 percent of the total expected capital spending in Quebec, for 1988 will record a 25.5 percent increase from their 1987 levels while private firms report a 32.3 percent increase (Tables 10 and 25).

Foreign (majority-owned) firms, which account for 17 percent of total capital spending in Quebec, expect investment in new plant and equipment to increase by 41.8 percent in 1988. Domestic (majority-owned) firms expect capital spending to advance by 27.3 percent from their 1987 levels (Tables 7 and 24).

Companies with headquarters in Quebec are somewhat less optimistic for 1989 than for 1988 with regard to domestic sales, profits and corporate financial conditions (Table 26). The major factors that are expected to affect the spending plans of these companies are: expected sales, rates of return, cash flow and government policies (Table 15).

Ontario (Tables 27 - 30)

Corporations which invest in plant and equipment in Ontario report that they expect 1988 outlays for these items to reach almost $10.2 billion, an increase of 10.6 percent, or about $1 billion, from the 1987 level (Table 27).

Investment spending in 1988 by the Ontario manufacturing sector is expected to reach about $3.9 billion, an increase of 4.7 percent from the 1987 level. Primary metals and metal fabricating and electrical, electronic and

machinery companies expect their investments to decline. However, decreases suffered by these firms are more than offset by the projected increased spendings by companies in transportation equipment, forest products and chemicals sectors.

The 14.6 percent increase in capital spending for 1988 by the non-manufacturing sector in Ontario is much lower than the national average of 30.5 percent. All industries within the sector report increased investment intentions, except oil and gas companies which expect investment to decline. The largest increases for 1988 are projected to occur in mining, transportation and storage, and trade, finance and other commercial sectors.

Private sector spending for 1988 is expected to advance by 9.2 percent compared to a 15 percent increase in the public sector. Private sector spending on plant and equipment accounts for 75 percent of total investment in Ontario for 1988 (Table 10 and 29).

Foreign (majority-owned) firms show a 23.5 percent increase in capital spending for 1988, while domestic (majority-owned) firms indicate an advance of only 6.2 percent (Table 28).

Companies with headquarters in Ontario are more optimistic about corporate sales, profits and employment for 1989 than for 1988 (Table 30).

Expected sales in Canada, cash flow, rates of return, export sales and government policies were the factors most often cited by companies with headquarters in Ontario as having an impact on their spending plans. Canadian economic conditions were also mentioned as a matter of concern (Table 15).

Prairie Region (Tables 31 - 40)

Total capital spending in the Prairie region in 1988 is expected to be $8.5 billion, an increase of 40.4 percent, or $2.5 billion, over the 1987 level (Table 31). Spending is expected to advance by 45.4 percent in Saskatchewan, 43 percent in Alberta and 20.2 percent in Manitoba. The outlook for this region is dominated by Alberta where about 72 percent of the total Prairie region investment for 1988 takes place. Consequently, a separate detailed analysis of the Alberta investment situation is included in this report.

Investment by the manufacturing sector in the region is expected to advance by 128.9 percent in 1988, mainly due to the increased spending by forest products industry, followed by chemicals and non-metallic minerals. Food and beverage was the only group which reported a decrease (though slight) for 1988. Spending by manufacturing firms in Alberta is expected to advance in 1988 by 197.5 percent, in Saskatchewan by 27.1 percent and in Manitoba by 9.2 percent. Alberta's strengths lie in forest products and non-metallic minerals. The advance in manufacturing investment in Saskatchewan is due to the expected increased spending among all industries except the electrical, electronic and machinery companies. The increased spending in Manitoba is mainly due to expanded outlays by electrical, electronic and machinery firms and primary metals and metal fabricating companies. These increases more than offset the decreases projected for the food and beverage and forest products companies.

Total non-manufacturing spending in the Prairie region for 1988, at $8 billion, represents an advance of 36.9 percent over the 1987 level (Table 31). It is expected to advance by 46 percent in Saskatchewan, 38 percent in Alberta and by 20.9 percent in Manitoba. The increase in Manitoba is mainly due to the enhanced spending planned by utilities, transportation and storage and mining companies. Decreased investment is expected by oil and gas companies, pipelines and trade, finance and other

commercial services. In the case of Alberta, increased spending levels in 1988 are reported for all sectors. The increase in Saskatchewan is due to the planned increased spending reported by utilities, oil and gas companies and mining. Only oil and gas pipelines expect a decline in 1988 spending.

Domestic (majority-owned) firms expect a 45 percent increase in 1988 spending in the Prairie region while spending by foreign (majority-owned) firms will go up by 34.5 percent (Table 35).

Private sector spending in the region in 1988 is expected to advance by 36.9 percent, compared to a 50.7 percent increase for the public sector (Table 36).

Companies with headquarters in the Prairie region are, in general, more optimistic for 1989 than for 1988 with respect to profits and corporate employment (Table 39).

The dominant factors affecting capital spending plans in this region were cash flow, expected domestic sales, economic conditions in Canada and government policies. Rates of return were also mentioned as a matter of some concern (Table 15).

Alberta

Total capital spending in Alberta in 1988 is expected to reach approximately $6.2 billion, a 43 percent or $1.9 billion increase over the 1987 level (Table 34).

At $400 million, manufacturing investment shows a rise of 197.5 percent above its 1987 level. Strong increases in forest products and non-metallic minerals more than offset the decrease reported by electrical, electronic and machinery firms and primary metals and metal fabricating companies. Spending by the non-manufacturing segment in Alberta is expected

to amount to almost $5.8 billion in 1988, 38 percent above the 1987 outlay. All industry groups expect increased investment. Oil and gas pipelines, mining and trade, finance and other commercial companies register the largest year-over-year advances.

Domestic (majority-owned) firms, which account for 52 percent of total capital spending in Alberta for 1988, anticipate an increase of 49.7 percent from their 1987 level. Foreign (majority-owned) companies expect a 36.3 percent advance (Tables 7 and 37). Private sector spending in Alberta is expected to go up by 39.6 percent in 1988, while Crown corporations anticipate a 62.2 percent rise in their spending on capital (Table 38).

Companies with headquarters in Alberta indicate a more optimistic outlook for 1989 than for 1988, particularly with regard to corporate sales (especially export) and employment (Table 40).

Cash flow, expected sales in Canada, rates of return, economic conditions in Canada and government policies were singled out most often as the factors affecting outlays on plant and equipment (Table 15).

British Columbia and Northern Region (Tables 41 - 44)

Business investment spending for 1988 in the British Columbia and Northern region (i.e., B.C., Yukon and Northwest Territories) is expected to reach about $2.8 billion, 33.1 percent above the 1987 level of $2.1 billion (Table 41).

Investment in the manufacturing sector in this region is expected to reach almost $1 billion in 1988, 30.4 percent above the figure reported for 1987. This reflects the increased spending plans of companies in the forest products and primary metals and metal fabricating sectors which more than offset the expected decreased investment by the food and beverage companies and the electrical, electronics and machinery firms.

The expected 1988 capital spending of almost $1.8 billion by non-manufacturing firms in the region represents an increase of 34.6 percent from the 1987 level, slightly higher than the national average increase of 30.5 percent. All sectors expect increases in spending in 1988, particularly the trade, finance and other commercial companies as well as the mining, utilities and oil and gas companies.

Foreign (majority-owned) firms investing in the British Columbia and Northern region are expected to increase their capital spending by 31 percent in 1988 compared to a 34 percent rise in investment by domestic (majority-owned) firms (Table 42).

Spending for 1988 by the private sector on new plant and equipment is expected to increase by 37.6 percent, while the public sector anticipates an increase of 15.3 percent (Table 43).

Companies with headquarters in the British Columbia and Northern region are less optimistic with respect to corporate sales and profits for 1989 than for 1988 (Table 44).

Exchange rates were mentioned most often by the firms in this region as the factor affecting spending plans followed by expected sales, cash flow and rates of return (Table 15).

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TABLE 1

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- CANADA

(Current $ Millions)

Industry	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Food and Beverage	590.1	717.3	21.5
Forest Products	2 062.2	2 794.3	35.5
Primary Metals and Metal Fabricating	1 144.4	1 021.4	-10.8
Chemicals	403.9	591.5	46.4
Transportation Equipment	1 691.5	2 097.5	24.0
Electrical, Electronics and Machinery	816.1	768.6	-5.9
Non-Metallic Minerals	181.7	226.4	24.6
Other Manufacturing	334.0	419.1	25.4
Total Manufacturing	7 223.9	8 636.1	19.5
Mining Companies	767.1	1 121.4	46.1
Oil and Gas Companies	4 392.5	5 351.4	21.8
Oil and Gas Pipelines	910.2	1 199.9	31.8
Transportation and Storage	1 355.5	2 221.1	63.8
Communications	3 363.6	3 837.8	14.0
Electric Utilities	4 620.8	6 056.5	31.0
Trade, Finance and Other Commercial	1 772.4	2 634.9	48.6
Total Non-Manufacturing	17 182.1	22 423.0	30.5
TOTAL	24 406.0	31 059.1	27.2

Only the 300 firms which reported for the years 1987 (actual) and 1988 (revised intentions) have been included in this table.

TABLE 2

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- CANADA

(Constant 1987 $ Millions)

Industry	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Food and Beverage	590.1	684.8	16.0
Forest Products	2 062.2	2 675.3	29.7
Primary Metals and Metal Fabricating	1 144.4	981.8	-14.3
Chemicals	403.9	566.4	40.2
Transportation Equipment	1 691.5	2 022.0	19.5
Electrical, Electronics and Machinery	816.1	734.7	-10.0
Non-Metallic Minerals	181.7	217.3	19.5
Other Manufacturing	334.0	399.7	19.6
Total Manufacturing	7 223.9	8 282.0	14.6
Mining Companies	767.1	1 075.9	40.2
Oil and Gas Companies	4 392.5	5 126.8	16.7
Oil and Gas Pipelines	910.2	1 144.8	25.7
Transportation and Storage	1 355.5	2 127.5	56.9
Communications	3 363.6	3 720.9	10.6
Electric Utilities	4 620.8	5 785.6	25.2
Trade, Finance and Other Commercial	1 772.4	2 503.6	41.2
Total Non-Manufacturing	17 182.1	21 485.1	25.0
TOTAL	**24 406.0**	**29 767.1**	**21.9**

Only the 300 firms which reported for the years 1987 (actual) and 1988 (revised intentions) have been included in this table.

TABLE 3

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- BY PROVINCE/REGION

(Current $ Millions)

Province/Region	No. of Companies	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	35	457.1	466.4	2.0
Prince Edward Island	14	22.7	25.7	13.2
Nova Scotia	55	608.9	845.4	38.8
New Brunswick	36	375.8	610.6	62.4
Atlantic Region	94	1 547.2	2 027.7	31.0
Quebec	148	4 622.6	5 994.6	29.6
Ontario	189	9 177.2	10 154.0	10.6
Manitoba	71	778.6	936.6	20.2
Saskatchewan	64	757.0	1 100.9	45.4
Alberta	109	4 323.2	6 184.8	43.0
Prairie Region	151	6 083.6	8 546.4	40.4
British Columbia	111	1 911.5	2 522.8	31.9
Yukon	6	10.3	10.1	-2.0
Northwest Territories	12	132.1	170.5	29.0
British Columbia and Northern Region	117	2 081.2	2 770.3	33.1
CANADA	300	24 406.0	31 059.1	27.2

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 4

CAPITAL EXPENDITURES OF SELECTED LARGE MANUFACTURING COMPANIES
FOR 1987 AND PLANS FOR 1988
- BY PROVINCE/REGION

(Current $ Millions)

Province/Region	No. of Companies	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	12	78.6	84.3	7.2
Prince Edward Island	*	*	*	
Nova Scotia	28	200.7	378.3	88.4
New Brunswick	14	103.7	102.6	-1.1
Atlantic Region	47	392.5	589.0	50.0
Quebec	94	1 653.7	2 154.2	30.2
Ontario	123	3 698.6	3 874.6	4.7
Manitoba	30	45.3	49.5	9.2
Saskatchewan	16	25.4	32.3	27.1
Alberta	44	134.6	400.5	197.5
Prairie Region	64	231.3	529.5	128.9
British Columbia	51	759.6	986.9	29.9
Yukon	*	*	*	
Northwest Territories	*	*	*	
British Columbia and Northern Region	51	762.0	994.3	30.4
CANADA	167	7 223.9	8 636.1	19.5

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 5

CAPITAL EXPENDITURES OF SELECTED LARGE NON-MANUFACTURING COMPANIES
FOR 1987 AND PLANS FOR 1988
- BY PROVINCE/REGION

(Current $ Millions)

Province/Region	No. of Companies	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	23	378.5	382.1	0.9
Prince Edward Island	11	20.2	23.6	16.8
Nova Scotia	27	408.2	467.1	14.4
New Brunswick	22	272.1	508.0	86.6
Atlantic Region	47	1 154.7	1 438.7	24.5
Quebec	54	2 968.9	3 840.4	29.3
Ontario	66	5 478.6	6 279.4	14.6
Manitoba	41	733.3	887.1	20.9
Saskatchewan	48	731.6	1 068.6	46.0
Alberta	65	4 188.6	5 784.3	38.0
Prairie Region	87	5 852.3	8 016.9	36.9
British Columbia	60	1 151.9	1 535.9	33.3
Yukon	6	10.3	10.1	-2.0
Northwest Territories	11	129.7	163.1	25.7
British Columbia and Northern Region	66	1 319.2	1 776.0	34.6
CANADA	**133**	**17 182.1**	**22 423.0**	**30.5**

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 6

YEARLY COST ADJUSTMENT FACTORS 1988-1992

Industry	1988	1989	1990	1991	1992
Food and Beverage	4.7	4.4	4.1	5.9	4.7
Forest Products	4.4	4.4	4.3	4.7	4.7
Primary Metals and Metal Fabricating	4.0	4.2	4.6	4.1	4.6
Chemicals	4.4	4.9	4.5	4.2	4.5
Transportation Equipment	3.7	4.7	4.3	3.8	4.2
Electrical, Electronics and Machinery	4.6	4.8	5.1	5.0	4.6
Non-Metallic Minerals	4.1	4.8	4.2	4.3	5.1
Other Manufacturing	4.8	4.7	5.0	5.2	4.9
Total Manufacturing	4.3	4.5	4.4	4.6	4.7
Mining Companies	4.2	4.1	4.2	5.7	3.5
Oil and Gas Companies	4.3	4.7	4.6	4.7	4.9
Oil and Gas Pipelines	4.8	4.8	4.8	5.1	4.3
Transportation and Storage	4.4	5.0	4.2	3.9	4.3
Communications	3.1	4.0	3.5	4.1	2.8
Electric Utilities	4.6	4.9	5.2	5.7	5.8
Trade, Finance and Other Commercial	5.2	5.6	4.1	5.9	6.5
Total Non-Manufacturing	4.3	4.6	4.6	4.9	4.9
TOTAL	4.3	4.5	4.7	4.8	4.9

TABLE 7

DISTRIBUTION OF CAPITAL INVESTMENT BY DOMESTIC AND FOREIGN FIRMS WITHIN REGIONS

(Percent)

	DOMESTIC		FOREIGN	
Province/Region	1987	1988	1987	1988
Newfoundland	61	80	39	20
Prince Edward Island	*	*	*	*
Nova Scotia	83	79	17	21
New Brunswick	93	95	7	5
Atlantic Region	79	82	21	18
Quebec	84	83	16	17
Ontario	75	72	25	28
Manitoba	89	90	11	10
Saskatchewan	77	78	23	22
Alberta	50	52	50	48
Prairie Region	57	58	43	42
British Columbia	72	74	28	26
Yukon	*	*	*	*
Northwest Territories	*	*	*	*
British Columbia and Northern Region	69	70	31	30
CANADA	70	70	30	30

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

TABLE 8

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1987-1988
- DOMESTIC-OWNED/ALL COMPANIES

(Current $ Millions)

Province/Region	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	278.2	372.2	33.7
Prince Edward Island	21.0	24.0	14.2
Nova Scotia	502.6	665.7	32.4
New Brunswick	348.6	581.9	66.9
Atlantic Region	1 216.0	1 671.8	37.4
Quebec	3 883.0	4 945.7	27.3
Ontario	6 842.2	7 268.7	6.2
Manitoba	690.7	846.4	22.5
Saskatchewan	580.2	855.0	47.3
Alberta	2 161.7	3 237.8	49.7
Prairie Region	3 447.2	4 999.4	45.0
British Columbia	1 376.0	1 861.4	35.2
Yukon	10.1	10.0	-1.0
Northwest Territories	46.4	50.1	7.9
British Columbia and Northern Region	1 437.2	1 926.1	34.0
CANADA	17 182.6	21 834.8	27.0

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 9

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1987-1988
- FOREIGN-OWNED/ALL COMPANIES

(Current $ Millions)

Province/Region	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	178.9	94.2	-47.4
Prince Edward Island	*	*	
Nova Scotia	106.3	179.7	69.0
New Brunswick	27.2	28.7	5.5
Atlantic Region	331.2	355.9	7.4
Quebec	739.6	1 048.9	41.8
Ontario	2 335.0	2 885.3	23.5
Manitoba	87.9	90.2	2.6
Saskatchewan	176.8	245.9	39.0
Alberta	2 161.5	2 947.0	36.3
Prairie Region	2 636.4	3 547.0	34.5
British Columbia	535.5	661.4	23.5
Yukon	*	*	
Northwest Territories	*	*	
British Columbia and Northern Region	644.0	844.2	31.0
CANADA	**7 223.4**	**9 224.3**	**27.7**

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 10

DISTRIBUTION OF CAPITAL INVESTMENT BY PUBLIC AND PRIVATE FIRMS WITHIN REGIONS

(Percent)

	PUBLIC		PRIVATE	
Province/Region	1987	1988	1987	1988
Newfoundland	21	39	79	61
Prince Edward Island	*	*	*	*
Nova Scotia	45	44	55	56
New Brunswick	28	25	72	75
Atlantic Region	31	35	69	65
Quebec	40	38	60	62
Ontario	24	25	76	75
Manitoba	66	72	34	28
Saskatchewan	51	55	49	45
Alberta	15	17	85	83
Prairie Region	26	28	74	72
British Columbia	22	19	78	81
Yukon	*	*	*	*
Northwest Territories	*	*	*	*
British Columbia and Northern Region	20	18	80	82
CANADA	**27**	**29**	**73**	**71**

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

TABLE 11

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1987-1988
- PUBLIC/ALL COMPANIES

(Current $ Millions)

Province/Region	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	97.4	181.7	86.5
Prince Edward Island	*	*	
Nova Scotia	274.8	376.0	36.8
New Brunswick	106.4	152.6	43.4
Atlantic Region	479.6	711.6	48.3
Quebec	1 829.7	2 297.2	25.5
Ontario	2 200.5	2 531.9	15.0
Manitoba	513.3	674.4	31.3
Saskatchewan	388.6	609.5	56.8
Alberta	659.4	1 070.1	62.2
Prairie Region	1 561.3	2 354.0	50.7
British Columbia	412.1	473.7	14.9
Yukon	*	*	
Northwest Territories	*	*	
British Columbia and Northern Region	426.1	491.7	15.3
CANADA	6 639.5	8 885.5	33.8

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 12

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1987-1988
- PRIVATE/ALL COMPANIES

(Current $ Millions)

Province/Region	Actual Outlay 1987	Revised Outlay 1988	1988/1987 Percent change
Newfoundland	359.7	284.7	-20.9
Prince Edward Island	21.7	24.4	12.4
Nova Scotia	334.1	469.4	40.4
New Brunswick	269.4	458.0	70.0
Atlantic Region	1 067.6	1 316.1	23.2
Quebec	2 792.9	3 697.4	32.3
Ontario	6 976.7	7 622.1	9.2
Manitoba	265.3	262.2	-1.2
Saskatchewan	368.4	491.4	33.3
Alberta	3 663.8	5 114.7	39.6
Prairie Region	4 522.3	6 192.4	36.9
British Columbia	1 499.4	2 049.1	36.6
Yukon	*	*	*
Northwest Territories	124.9	161.6	29.3
British Columbia and Northern Region	1 655.1	2 278.6	37.6
CANADA	**17 766.5**	**22 173.6**	**24.8**

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1987 and revised intentions 1988.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 13

CAPITAL INVESTMENT INTENTIONS OF SELECTED LARGE COMPANIES 1987-1992

(Current $ Millions)

Province/Region		1987	1988	1989	1990	1991	1992	Total
Newfoundland	(21)	289.9	300.1	306.3	427.1	513.4	600.4	2 437.2
Prince Edward Island	(9)	4.0	4.0	3.8	4.4	4.0	5.1	25.3
Nova Scotia	(35)	450.0	663.5	586.6	483.9	461.8	468.7	3 114.5
New Brunswick	(25)	305.7	518.3	555.7	612.3	703.4	521.2	3 216.6
Atlantic Region	(58)	1 104.8	1 558.6	1 551.4	1 734.2	1 916.8	1 850.6	9 716.4
Quebec	(89)	3 789.2	4 598.3	4 935.4	4 906.8	4 852.3	5 121.0	28 203.0
Ontario	(116)	6 378.0	7 181.5	7 583.4	7 256.2	6 640.7	6 815.6	41 855.4
Manitoba	(42)	487.6	659.1	651.6	758.0	622.5	490.7	3 669.5
Saskatchewan	(45)	647.4	985.2	1 039.7	1 229.2	1 024.0	844.3	5 769.8
Alberta	(69)	3 288.6	4 564.7	4 625.0	4 795.1	5 067.8	5 716.3	28 057.5
Prairie Region	(94)	4 620.7	6 483.7	6 580.2	7 100.3	6 977.8	7 307.4	39 070.1
British Columbia	(68)	1 401.3	1 775.0	1 744.4	1 567.3	1 488.6	1 731.3	9 707.9
Yukon	(5)	9.8	10.0	8.4	8.6	9.3	9.7	55.8
Northwest Territories	(11)	131.9	170.3	178.1	263.4	531.8	885.0	2 160.5
British Columbia and Northern Region	(74)	1 569.6	2 021.6	2 008.5	1 966.1	2 154.5	2 744.3	12 464.6
CANADA	**(201)**	**18 220.4**	**23 296.4**	**23 862.8**	**24 909.4**	**24 080.2**	**25 120.3**	**139 489.5**

Actual 1987 and revised intentions 1988 to 1992.

Only those firms which reported for each of the years 1987 through 1992 are included in this table, i.e., a matched panel. The number of reporting companies is provided in brackets. See Appendix point (1) for an explanation of "matching".

TABLE 14

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES AS REPORTED IN CURRENT DOLLARS

1987-1992

(1987 = 100)

Industry	Base Value ($ Millions)	1987	1988	1989	1990	1991	1992
Food and Beverage	306.1	100.0	123.5	92.9	83.8	89.0	84.2
Forest Products	1 453.5	100.0	140.5	156.5	124.7	82.1	79.0
Primary Metals and Metal Fabricating	244.3	100.0	145.6	113.5	75.9	77.9	67.7
Chemicals	287.2	100.0	142.1	140.6	127.5	147.0	115.2
Transportation Equipment	960.7	100.0	111.3	123.1	122.2	80.8	75.0
Electrical, Electronics and Machinery	455.3	100.0	98.1	109.4	116.6	113.0	116.4
Non-Metallic Minerals	71.4	100.0	143.4	104.1	81.5	94.7	82.5
Other Manufacturing	118.7	100.0	150.3	132.4	126.9	127.6	116.1
Total Manufacturing	3 897.2	100.0	127.8	132.2	116.4	92.0	86.0
Mining Companies	201.2	100.0	119.8	109.1	105.5	87.7	71.6
Oil and Gas Companies	4 080.8	100.0	123.4	128.7	140.9	153.4	173.2
Oil and Gas Pipelines	518.2	100.0	109.8	135.2	253.8	191.6	267.1
Transportation and Storage	1 260.2	100.0	163.8	150.3	197.3	179.2	169.3
Communications	2 725.1	100.0	110.8	114.8	111.9	112.4	114.6
Electric Utilities	4 489.4	100.0	131.7	138.0	145.0	152.5	157.7
Trade, Finance and Other Commercial	1 048.3	100.0	140.8	126.2	100.3	85.2	79.5
Total Non-Manufacturing	14 323.2	100.0	127.9	130.6	142.3	143.1	152.0
TOTAL	**18 220.4**	**100.0**	**127.9**	**131.0**	**136.7**	**132.2**	**137.9**

Only the 201 firms which reported for each of the years 1987 through 1992 are included in this table.

TABLE 15

FACTORS REPORTED AS AFFECTING CURRENT AND CONSIDERED INVESTMENT SPENDING

(Frequency of response)

Factor / Region of Headquarters	Atlantic		Quebec		Ontario		Alberta		Prairies		B.C. & Northern Region		TOTAL	
	O87	A88	O87	A88	O87	A88	O87	A88	O87	A88	O87	A88	O87	A88
Canadian Federal Government Policies	8	10	13	11	22	25	18	11	22	16	6	5	71	67
Other Canadian Government Policies	7	8	7	3	12	15	12	10	15	12	4	4	45	42
Foreign Government Policies	2	4	4	1	9	5	5	3	7	5	3	0	25	15
Exchange Rates	4	6	5	7	14	16	7	6	10	6	5	10	38	45
Non-Tariff Barriers, Canada	2	3	2	1	4	2	1	1	3	3	1	0	12	9
Canadian Tariffs Too High	1	0	1	1	2	2	1	1	3	2	0	0	7	5
Canadian Tariffs Too Low	1	0	0	0	4	5	0	1	1	2	0	0	5	7
Barriers Abroad	1	1	5	4	7	8	6	4	10	9	3	5	26	27
Other Trading Factors	1	1	6	5	8	15	4	2	6	2	5	4	26	27
Expected Cash Flow	10	7	10	11	37	37	19	17	25	21	11	8	93	84
Rates of Return	7	7	13	12	33	37	15	12	19	15	12	8	84	79
Other Internal Financial Conditions	3	3	1	1	7	7	3	0	4	1	2	1	17	13
Cost of Funds	5	5	1	2	15	11	11	7	13	7	2	4	36	29
Availability of Funds	3	5	2	4	13	8	4	5	5	5	2	1	25	23
Other External Financial Conditions	0	0	1	0	5	3	3	2	4	2	1	1	11	6
Other Financial and Monetary Factors	1	2	2	1	3	4	1	1	2	1	0	2	8	10
Raw Material Shortages	2	2	0	1	1	3	0	0	1	1	3	2	7	9
Machinery and Equipment Shortages	1	0	0	0	0	2	0	1	0	1	1	0	2	3
Staff Shortages	2	1	1	0	5	8	0	0	0	0	2	0	10	9
Labour Problems	2	2	3	1	3	6	0	0	1	0	5	0	14	9
Expected Sales in Canada	9	13	12	13	47	48	20	17	24	21	13	9	105	104
Expected Sales Abroad	5	4	9	12	30	25	13	10	18	16	15	9	77	66
Expected Economic Conditions in Canada	4	9	8	7	27	24	11	12	17	17	9	5	65	62
Expected Economic Conditions Abroad	1	2	8	7	11	11	10	8	13	9	11	7	44	36
Other Factors	1	4	0	0	9	5	8	9	8	9	2	4	20	22
SAMPLE SIZE	24	23	50	50	145	148	44	40	61	58	31	28	313	309

O87 = October 1987
A88 = April 1988

TABLE 16

TOTAL CAPITAL EXPENDITURES BY PURPOSE

	Number of Reporting Companies	1987	1988
		($ Millions)	
Research and Development	70	306.0	433.3
Pollution Abatement	70	235.9	323.3
Working Environment	85	156.1	237.5
Expansion of Facilities - Existing Sites	148	7 781.0	9 530.4
Upgrading and Replacement of Existing Facilities	217	6 400.8	8 023.3
Expansion of Facilities - New Sites	82	3 997.3	5 750.0
Other	98	3 034.0	3 853.0
TOTAL*	**252**	**21 911.1**	**28 150.8**

* As one company may allocate its investment expenditures to various purpose categories, this number is not the sum of the elements in the column.

Actual 1987 and revised intentions 1988.

TABLE 17

TOTAL CAPITAL EXPENDITURES BY PURPOSE

(Percent Distribution of Total)

	Manufacturing		Non-Manufacturing		Total	
	1987	1988	1987	1988	1987	1988
Research and Development	3.4	4.0	0.7	0.7	1.4	1.5
Pollution Abatement	2.1	2.7	0.7	0.6	1.1	1.1
Working Environment	1.2	1.6	0.5	0.6	0.7	0.8
Expansion of Facilities - Existing Sites	20.9	15.9	40.9	40.1	35.5	33.9
Upgrading and Replacement of Existing Facilities	43.5	47.8	23.9	21.8	29.2	28.5
Expansion of Facilities - New Sites	13.0	16.7	20.2	21.7	18.2	20.4
Other	15.9	11.3	13.1	14.5	13.8	13.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Totals may not add due to rounding.

TABLE 18

CAPITAL EXPENDITURES BY PURPOSE

1988/1987

(Year-to-Year Percent Change in Level of Spending)

	Manufacturing	Non-Manufacturing	Total
Research and Development	46.5	32.4	41.6
Pollution Abatement	55.5	15.7	37.0
Working Environment	58.7	46.4	52.1
Expansion of Facilities - Existing Sites	-6.5	27.9	22.4
Upgrading and Replacement of Existing Facilities	34.7	19.0	25.3
Expansion of Facilities - New Sites	58.3	40.4	43.8
Other	-12.7	44.7	27.0

TABLE 19

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- ATLANTIC REGION

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	392.5	(7 223.9)	589.0	(8 636.1)	50.0	(19.5)
Total Non-Manufacturing	1 154.7	(17 182.1)	1 438.7	(22 423.0)	24.5	(30.5)
TOTAL	**1 547.2**	**(24 406.0)**	**2 027.7**	**(31 059.1)**	**31.0**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 20

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ATLANTIC REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	40.7	(5.9)	81.7	(37.5)
Total Non-Manufacturing	36.3	(33.7)	-19.9	(20.2)
TOTAL	**37.4**	**(27.0)**	**7.4**	**(27.7)**

TABLE 21

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ATLANTIC REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		29.7	(19.0)
Total Non-Manufacturing	*		20.2	(28.5)
TOTAL	**48.3**	**(33.8)**	**23.2**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 22

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN THE ATLANTIC REGION

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	76.1 (67.3)	14.2 (21.7)	9.5 (10.8)	75.0 (63.3)	15.0 (24.8)	10.0 (11.7)
Export Sales	46.6 (54.0)	53.3 (32.4)	0.0 (13.5)	21.4 (47.7)	71.4 (39.7)	7.1 (12.5)
Profits	60.0 (60.0)	15.0 (18.0)	25.0 (21.8)	57.8 (62.1)	15.7 (21.1)	26.3 (16.6)
Corporate Employment in Canada	40.9 (35.1)	54.5 (48.1)	4.5 (16.7)	38.0 (31.7)	52.3 (55.9)	9.5 (12.3)
Corporate Financial Conditions	61.9 (56.4)	23.8 (35.4)	14.2 (8.1)	50.0 (48.6)	35.0 (42.4)	15.0 (8.9)
Canadian Business Conditions	40.0 (35.6)	45.0 (56.0)	15.0 (8.2)	26.3 (26.9)	52.6 (55.7)	21.0 (17.3)
Foreign Investment Climate	37.5 (28.5)	62.5 (69.8)	0.0 (1.5)	42.8 (28.9)	57.1 (64.4)	0.0 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 23 firms in the survey panel with headquarters in the Atlantic region.

TABLE 23

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- QUEBEC REGION

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	1 653.7	(7 223.9)	2 154.2	(8 636.1)	30.2	(19.5)
Total Non-Manufacturing	2 968.9	(17 182.1)	3 840.4	(22 423.0)	29.3	(30.5)
TOTAL	**4 622.6**	**(24 406.0)**	**5 994.6**	**(31 059.1)**	**29.6**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 24

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- QUEBEC REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	19.1	(5.9)	53.6	(37.5)
Total Non-Manufacturing	30.6	(33.7)	11.4	(20.2)
TOTAL	**27.3**	**(27.0)**	**41.8**	**(27.7)**

TABLE 25

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- QUEBEC REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		33.7	(19.0)
Total Non-Manufacturing	*		30.7	(28.5)
TOTAL	**25.5**	**(33.8)**	**32.3**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 26

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN THE QUEBEC REGION

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	72.2 (67.3)	19.4 (21.7)	8.3 (10.8)	54.5 (63.3)	33.3 (24.8)	12.1 (11.7)
Export Sales	51.7 (54.0)	37.9 (32.4)	10.3 (13.5)	46.1 (47.7)	46.1 (39.7)	7.6 (12.5)
Profits	80.5 (60.0)	2.7 (18.0)	16.6 (21.8)	66.6 (62.1)	12.1 (21.1)	21.2 (16.6)
Corporate Employment in Canada	29.7 (35.1)	51.3 (48.1)	18.9 (16.7)	26.4 (31.7)	52.9 (55.9)	20.5 (12.3)
Corporate Financial Conditions	68.5 (56.4)	28.5 (35.4)	2.8 (8.1)	59.3 (48.6)	31.2 (42.4)	9.3 (8.9)
Canadian Business Conditions	50.0 (35.6)	41.1 (56.0)	8.8 (8.2)	32.2 (26.9)	51.6 (55.7)	16.1 (17.3)
Foreign Investment Climate	52.6 (28.5)	47.3 (69.8)	0.0 (1.5)	42.1 (28.9)	52.6 (64.4)	5.2 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 50 firms in the survey panel with headquarters in the Quebec region.

TABLE 27

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- ONTARIO REGION

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	3 698.6	(7 223.9)	3 874.6	(8 636.1)	4.7	(19.5)
Total Non-Manufacturing	5 478.6	(17 182.1)	6 279.4	(22 423.0)	14.6	(30.5)
TOTAL	**9 177.2**	**(24 406.0)**	**10 154.0**	**(31 059.1)**	**10.6**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 28

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ONTARIO REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	-17.7	(5.9)	28.2	(37.5)
Total Non-Manufacturing	15.3	(33.7)	7.2	(20.2)
TOTAL	**6.2**	**(27.0)**	**23.5**	**(27.7)**

TABLE 29

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ONTARIO REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		5.0	(19.0)
Total Non-Manufacturing	*		13.8	(28.5)
TOTAL	**15.0**	**(33.8)**	**9.2**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 30

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN THE ONTARIO REGION

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	69.8 (67.3)	17.9 (21.7)	12.2 (10.8)	74.7 (63.3)	18.4 (24.8)	6.7 (11.7)
Export Sales	52.8 (54.0)	29.2 (32.4)	17.9 (13.5)	51.1 (47.7)	38.3 (39.7)	10.4 (12.5)
Profits	58.8 (60.0)	20.5 (18.0)	20.5 (21.8)	70.5 (62.1)	19.6 (21.1)	9.8 (16.6)
Corporate Employment In Canada	37.2 (35.1)	42.7 (48.1)	20.0 (16.7)	36.1 (31.7)	50.4 (55.9)	13.3 (12.3)
Corporate Financial Conditions	50.0 (56.4)	39.8 (35.4)	10.1 (8.1)	49.0 (48.6)	43.2 (42.4)	7.6 (8.9)
Canadian Business Conditions	31.4 (35.6)	59.2 (56.0)	9.2 (8.2)	24.2 (26.9)	57.2 (55.7)	18.4 (17.3)
Foreign Investment Climate	25.8 (28.5)	72.5 (69.8)	1.6 (1.5)	25.4 (28.9)	72.8 (64.4)	1.6 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 148 firms in the survey panel with headquarters in the Ontario region.

TABLE 31

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- PRAIRIE REGION

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	231.3	(7 223.9)	529.5	(8 636.1)	128.9	(19.5)
Total Non-Manufacturing	5 852.3	(17 182.1)	8 016.9	(22 423.0)	36.9	(30.5)
TOTAL	**6 083.6**	**(24 406.0)**	**8 546.4**	**(31 059.1)**	**40.4**	**(27.2)**

TABLE 32

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- MANITOBA

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	45.3	(7 223.9)	49.5	(8 636.1)	9.2	(19.5)
Total Non-Manufacturing	733.3	(17 182.1)	887.1	(22 423.0)	20.9	(30.5)
TOTAL	**778.6**	**(24 406.0)**	**936.6**	**(31 059.1)**	**20.2**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 33

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- SASKATCHEWAN

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	25.4	(7 223.9)	32.3	(8 636.1)	27.1	(19.5)
Total Non-Manufacturing	731.6	(17 182.1)	1 068.6	(22 423.0)	46.0	(30.5)
TOTAL	**757.0**	**(24 406.0)**	**1 100.9**	**(31 059.1)**	**45.4**	**(27.2)**

TABLE 34

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- ALBERTA

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	134.6	(7 223.9)	400.5	(8 636.1)	197.5	(19.5)
Total Non-Manufacturing	4 188.6	(17 182.1)	5 784.3	(22 423.0)	38.0	(30.5)
TOTAL	**4 323.2**	**(24 406.0)**	**6 184.8**	**(31 059.1)**	**43.0**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 35

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- PRAIRIE REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	39.2	(5.9)	282.2	(37.5)
Total Non-Manufacturing	45.2	(33.7)	26.2	(20.2)
TOTAL	**45.0**	**(27.0)**	**34.5**	**(27.7)**

TABLE 36

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- PRAIRIE REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		128.9	(19.0)
Total Non-Manufacturing	*		31.9	(28.5)
TOTAL	**50.7**	**(33.8)**	**36.9**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 37

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ALBERTA

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	57.1	(5.9)	412.9	(37.5)
Total Non-Manufacturing	49.4	(33.7)	26.8	(20.2)
TOTAL	**49.7**	**(27.0)**	**36.3**	**(27.7)**

TABLE 38

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ALBERTA

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		197.5	(19.0)
Total Non-Manufacturing	*		33.5	(28.5)
TOTAL	**62.2**	**(33.8)**	**39.6**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 39

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN THE PRAIRIE REGION

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	55.5 (67.3)	31.1 (21.7)	13.3 (10.8)	52.2 (63.3)	36.3 (24.8)	11.3 (11.7)
Export Sales	60.0 (54.0)	23.3 (32.4)	16.6 (13.5)	58.6 (47.7)	31.0 (39.7)	10.3 (12.5)
Profits	48.8 (60.0)	26.6 (18.0)	24.4 (21.8)	54.5 (62.1)	31.8 (21.1)	13.6 (16.6)
Corporate Employment in Canada	40.0 (35.1)	46.6 (48.1)	13.3 (16.7)	30.2 (31.7)	65.1 (55.9)	4.6 (12.3)
Corporate Financial Conditions	51.1 (56.4)	40.0 (35.4)	8.8 (8.1)	43.1 (48.6)	47.7 (42.4)	9.0 (8.9)
Canadian Business Conditions	37.7 (35.6)	57.7 (56.0)	4.4 (8.2)	36.3 (26.9)	56.8 (55.7)	6.8 (17.3)
Foreign Investment Climate	28.0 (28.5)	72.0 (69.8)	0.0 (1.5)	28.0 (28.9)	68.0 (64.4)	4.0 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 58 firms in the survey panel with headquarters in the Prairie region.

TABLE 40

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN ALBERTA

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	57.5 (67.3)	27.2 (21.7)	15.1 (10.8)	59.3 (63.3)	31.2 (24.8)	9.3 (11.7)
Export Sales	57.1 (54.0)	23.8 (32.4)	19.0 (13.5)	70.0 (47.7)	25.0 (39.7)	5.0 (12.5)
Profits	45.4 (60.0)	27.2 (18.0)	27.2 (21.8)	59.3 (62.1)	31.2 (21.1)	9.3 (16.6)
Corporate Employment In Canada	39.3 (35.1)	51.5 (48.1)	9.0 (16.7)	35.4 (31.7)	64.5 (55.9)	0.0 (12.3)
Corporate Financial Conditions	42.4 (56.4)	48.4 (35.4)	9.0 (8.1)	40.6 (48.6)	46.8 (42.4)	12.5 (8.9)
Canadian Business Conditions	33.3 (35.6)	60.6 (56.0)	6.0 (8.2)	40.6 (26.9)	53.1 (55.7)	6.2 (17.3)
Foreign Investment Climate	27.7 (28.5)	72.2 (69.8)	0.0 (1.5)	27.7 (28.9)	66.6 (64.4)	5.5 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 40 firms in the survey panel with headquarters in Alberta.

TABLE 41

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1987 AND PLANS FOR 1988
- BRITISH COLUMBIA AND NORTHERN REGION

(Current $ Millions)

	Actual Outlay 1987		Revised Outlay 1988		1988/1987 Percent change	
Total Manufacturing	762.0	(7 223.9)	994.3	(8 636.1)	30.4	(19.5)
Total Non-Manufacturing	1 319.2	(17 182.1)	1 776.0	(22 423.0)	34.6	(30.5)
TOTAL	**2 081.2**	**(24 406.0)**	**2 770.3**	**(31 059.1)**	**33.1**	**(27.2)**

Actual 1987 and revised intentions 1988.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 42

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
BRITISH COLUMBIA AND NORTHERN REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1988/1987		Foreign Majority-Owned 1988/1987	
Total Manufacturing	33.3	(5.9)	19.1	(37.5)
Total Non-Manufacturing	34.5	(33.7)	34.7	(20.2)
TOTAL	**34.0**	**(27.0)**	**31.0**	**(27.7)**

TABLE 43

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
BRITISH COLUMBIA AND NORTHERN REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1988/1987		Total Private Majority-Owned 1988/1987	
Total Manufacturing	*		30.4	(19.0)
Total Non-Manufacturing	*		43.8	(28.5)
TOTAL	**15.3**	**(33.8)**	**37.6**	**(24.8)**

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 44

EXPECTATIONS FOR 1988 and 1989 BY COMPANIES WITH HEADQUARTERS IN THE BRITISH COLUMBIA AND NORTHERN REGION

(Percent Distribution of Total Responses)

	1988/1987			1989/1988		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	66.6 (67.3)	28.5 (21.7)	4.7 (10.8)	35.0 (63.3)	25.0 (24.8)	40.0 (11.7)
Export Sales	57.1 (54.0)	38.0 (32.4)	4.7 (13.5)	35.0 (47.7)	30.0 (39.7)	35.0 (12.5)
Profits	58.3 (60.0)	16.6 (18.0)	25.0 (21.8)	39.1 (62.1)	26.0 (21.1)	34.7 (16.6)
Corporate Employment in Canada	20.8 (35.1)	66.6 (48.1)	12.5 (16.7)	17.3 (31.7)	73.9 (55.9)	8.6 (12.3)
Corporate Financial Conditions	75.0 (56.4)	25.0 (35.4)	0.0 (8.1)	43.4 (48.6)	47.8 (42.4)	8.6 (8.9)
Canadian Business Conditions	26.0 (35.6)	69.5 (56.0)	4.3 (8.2)	13.6 (26.9)	54.5 (55.7)	31.8 (17.3)
Foreign Investment Climate	0.0 (28.5)	91.6 (69.8)	8.3 (1.5)	18.1 (28.9)	36.3 (64.4)	45.4 (6.6)

For comparison purposes, figures for Canada are provided in brackets.

There are 28 firms in the survey panel with headquarters in the British Columbia and Northern region.

APPENDIX

- APPENDIX -

Survey of Business Capital Investment - Nature and Coverage of the Data

1) All of the tables containing regional data incorporate "matched" company data to avoid variation in the number of firms reporting in each year. Matching allows for consistent comparisons since only the data for those companies which have reported spending in each of the specified years, e.g., 1987 and 1988, are used.

The above system of matching is applied separately for each of the investment categories specified in the regional tables. Hence, the regional totals obtained from a matched sample will not necessarily add to the matched Canada total.

2) The problem of companies in the survey not reporting their regional distribution of expenditures is minimal. The following table provides a reconciliation between the total dollar amounts reported on Table 1 and the total amounts distributed by region.

	1987	1988
	(Current $ Billions)	
Totals as Per Table 1	24.41	31.06
Amounts Reported by Region		
Atlantic	1.55	2.03
Quebec	4.62	5.99
Ontario	9.18	10.15
Prairies	6.08	8.55
B.C. & Northern Region	2.08	2.77
Unallocated Region*	0.40	1.07
Total	23.91	30.56
Difference between totals	0.50	0.50
Portion of difference explained by "matching"	0.08	0.13
Portion of difference explained by non-response	0.42	0.37

* Includes investment which was not specifically allocated to a particular region because it had not been determined in which province or region it would take place; and expenditures on movable machinery and equipment which were not allocated to a specific region, i.e., rail rolling stock, ships, etc.

3) The fact that companies reported on a corporate rather than an establishment basis definitely affects the sectoral breakdown of both the regional and Canada distribution, i.e., whether outlays were categorized under manufacturing, resource industries, etc. Therefore, the ISTC sectoral coverage cannot be satisfactorily reconciled with Statistics Canada's Private and Public Investment in Canada Survey (PPI) as investment data collected on a corporate basis are allocated to the various industrial sectors according to the company's main line of business. Nevertheless, it is believed that the companies surveyed account for a significant proportion of total business investment spending in Canada as reported by Statistics Canada.

4) The following table provides a breakdown of the number of companies reporting matched investment statistics to the ISTC survey, by manufacturing or non-manufacturing sector, and by region of investment. Since the companies in the survey panel are the larger ones, they tend to have investments in more than one region and as such the figures for Canada are not the sum of the regions.

	Atlantic	Quebec	Ontario	Prairies	British Columbia and Northern	CANADA
Manufacturing	47	94	123	64	51	167
Non-Manufacturing	47	54	66	87	66	133
TOTAL	94	148	189	151	117	300